

Munich, 22nd of March 2019

AD HOC Communication

MS Industrie AG – Sale of production for the Daimler world engine in the USA

Munich, the 22nd of March 2019: MS Powertrain Technologie GmbH, Trossingen, a 100% affiliate of MS Industrie AG (WKN 585518, ISIN DE0005855183), based on the decision of the Management Board and the approval of the Supervisory Board, sells the production of the valve train systems for the Daimler world engine at the Webberville / Michigan site to Gnutti Carlo Group (Gnutti Carlo S.p.A., Macclodio / Italy). The transition of the affected US legal entities is scheduled for early April 2019. With this strategic measure, sales of the MS Industrie Group will be reduced by around EUR 80 million, at the same time, dependency on the major global customer Daimler will decrease, which, of course, will continue to be supplied in Europe in the usual quality and reliability, both with regard to the world engine, as well as a number of other parts and components in the powertrain segment.

The Gnutti Group, (www.gnutticarlo.com, in short "Gnutti"), founded by Carlo Gnutti in 1922, is a global industrial group specialized in powertrain components and aluminum high pressure die casting with sales of approximately EUR 740 million and 4.000 employees at a total of 16 locations, including Ljunghäll based in Sweden (since 2014) and TCG Unitech based in Austria (since 2018).

The MS Industrie Group will continue to be present in the US and will systematically expand its local business activities, especially in connection with the marketing of ultrasonic welding machines throughout the North American market. The space not used by the Ultrasonic Technology segment at the Webberville site, which was acquired at the beginning of 2019, will be leased to Gnutti on a long-term basis.

Above all, for the Webberville location, the transaction will ensure long-term business continuity, as the delivery of the Daimler world engine in the USA can be continued beyond the year 2021 from the Webberville plant. Following the transaction, MS Industrie Group and Gnutti will continue their business relation with mutual deliveries of parts and components.

The Management Board of MS Industrie AG expects that in the second quarter of the current financial year, there will be a one-off positive deconsolidation effect on the income and assets of MS Industrie Group in the magnitude of seventeen million Euro. The transaction is related to the risk balance, both within one business area and between the two business segments MS Powertrain Technology Group and MS Ultrasonic Technology Group, which is strategically targeted by the Management Board and the Supervisory Board.

Background:

MS Industrie AG (WKN: 585518), headquartered in Munich, is the listed parent company of a focused industrial group with the business areas powertrain technology ("Powertrain Technology Group": systems and components for heavy-duty diesel engines and customized electric motors) and ultrasonic technology ("Ultrasonic Technology Group": special machines and ultrasonic systems and components). Key customer industries include the global commercial vehicle and passenger car industry, followed by the packaging machine industry and general mechanical and plant engineering. In 2018, the Group generated sales of around € 280 million with over 1,250 employees at eight production sites, four of them in Germany and one each in the USA, Brazil, China and Bulgaria.

Further Information:

MS Industrie AG
Brienner Straße 7
80333 Munich
Tel: 089/20500900
Fax: 089/20500999
Mail: info@ms-industrie.ag
Internet: www.ms-industrie.ag